

**VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498**

**EIN: 48-0724652**

**BLUE RAPIDS - WATERVILLE, KANSAS**

**MARSHALL COUNTY, KANSAS**

**AUDIT REPORT JUNE 30, 2011**

**KICKHAEFER & ASSOCIATE, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**MARYSVILLE, KANSAS 66508**

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

SPECIAL FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

**FINANCIAL INFORMATION**

KICKHAEFER & ASSOCIATE, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth L. Kickhaefer, CPA

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Education  
Unified School District No. 498  
Waterville, Kansas 66548

We have audited the accompanying financial statements of the Unified School District No. 498, Waterville, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Unified School District No. 498, Waterville, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1.C, the Unified School District No. 498, Waterville, Kansas, prepares its financial statements using accounting practices prescribed or permitted by the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

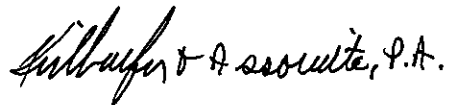
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 498, Waterville, Kansas, as of June 30, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 498, Waterville,

Kansas, as of June 30, 2011, and its cash receipts, cash disbursements, and expenditures compared to budget, for the year then ended on the basis of accounting described in note 1.C.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in note 1.C.

This report is intended solely for the information and use of the Board of Education and management of Unified School District No. 498, Waterville, Kansas, the Kansas Division of Accounts and Reports, and the Kansas State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Kickhaefer & Associate, P.A.", written in dark ink.

Kickhaefer & Associate, P.A.  
January 9, 2012

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 1  
PAGE 1 OF 3

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
<b>GOVERNMENTAL TYPE FUNDS:</b>							
GENERAL FUND	\$ (274,262.45)	\$ 0.00	\$ 3,221,837.28	\$ 3,182,288.01	\$ (234,723.18)	\$ 0.00	\$ (234,723.18)
SUPPLEMENTAL GENERAL	(109,069.14)	712.20	1,173,285.04	1,084,912.85	(19,984.75)	1,316.50	(18,668.25)
<b>SPECIAL REVENUE FUNDS:</b>							
CAPITAL OUTLAY	615,711.97	0.00	78,899.94	44,799.99	649,812.02	0.00	649,812.02
DRIVER TRAINING	1,617.96	0.00	6,208.00	3,010.14	4,815.82	0.00	4,815.82
AT RISK 4 YEAR OLD	6,593.01	0.00	13,900.00	13,900.29	6,512.72	0.00	6,512.72
FOOD SERVICE	40,415.86	0.00	322,892.30	322,827.57	40,480.59	0.00	40,480.59
PROFESSIONAL DEVELOPMENT	10,164.24	0.00	44,300.00	39,305.20	15,159.04	0.00	15,159.04
AT RISK K-12	57,122.23	0.00	381,054.17	315,349.97	122,826.43	0.00	122,826.43
PARENT EDUCATION PROGRAM	12,401.71	66.57	99,168.06	99,108.00	12,528.34	464.11	12,992.45
SUMMER SCHOOL	0.41	0.00	0.00	0.00	0.41	0.00	0.41
SPECIAL EDUCATION	125,827.64	0.00	693,460.57	682,749.60	126,538.61	69.95	126,608.56
BILINGUAL EDUCATION	6.78	0.00	2,550.00	1,500.00	1,056.78	0.00	1,056.78
VOCATIONAL EDUCATION	30,436.77	0.00	87,107.13	87,291.33	30,252.57	0.00	30,252.57
KPERS SPECIAL RETIREMENT CONTR. FUND	0.00	0.00	152,604.82	152,604.82	0.00	0.00	0.00
CONTINGENCY RESERVE	207,512.45	0.00	0.00	0.00	207,512.45	0.00	207,512.45
GIFTS & GRANTS	5,380.98	8.70	3,910.00	913.37	8,386.31	0.00	8,386.31
TEACH AMERICAN HISTORY	1.00	0.00	0.00	1.00	0.00	0.00	0.00
HRSA GRANT	0.51	0.00	46,193.43	46,193.94	0.00	0.00	0.00
RURAL EDUCATION ACHIEVEMENT PROGRAM	484.59	0.00	7,542.80	7,962.76	64.63	0.00	64.63
EARLY CHILDHOOD BLOCK GRANT	(12,145.46)	0.00	74,124.00	63,682.46	(1,703.92)	0.00	(1,703.92)
TITLE I	0.00	0.00	58,607.00	58,361.51	(1,754.51)	333.99	(1,420.52)
TITLE IV	(60.82)	0.00	326.00	265.16	0.00	0.00	0.00
TITLE II - D ARRA	0.00	0.00	1,394.00	220.00	0.00	0.00	0.00
TITLE II - D	0.00	0.00	220.00	220.00	0.00	0.00	0.00
TITLE II - A	0.00	0.00	19,042.00	19,042.00	0.00	0.00	0.00
TITLE I - ARRA	2,103.21	0.00	20,500.00	26,812.21	(4,209.00)	0.00	(4,209.00)
KS AFTERSCHOOL ENHANCEMENT GRANT	822.86	0.00	52,455.00	50,848.00	2,429.86	0.00	2,429.86
GATE RECEIPTS FUND	4,757.71	0.00	30,743.82	31,435.46	4,066.05	0.00	4,066.05
SCHOOL PROJECT FUNDS	9,679.08	0.00	56,799.51	51,095.36	15,383.23	0.00	15,383.23
<b>DEBT SERVICE FUNDS:</b>							
BOND AND INTEREST	209,013.17	0.00	302,575.85	285,192.50	226,396.52	0.00	226,396.52
<b>CAPITAL PROJECTS FUNDS:</b>							
CONSTRUCTION	127,724.22	0.00	500.00	83,869.91	44,234.31	0.00	44,234.31
ENERGY IMPROVEMENT PROJECT	0.00	0.00	801,021.31	790,234.00	10,787.31	0.00	10,787.31
<b>FIDUCIARY TYPE FUNDS:</b>							
EXPENDABLE TRUSTS:							
L.E. WILLSON TRUST	318,359.62	0.00	147,633.57	145,051.12	320,942.07	0.00	320,942.07
VALLEY HEIGHTS ACTIVITY SCHOLARSHIPS	5,873.18	0.00	31,349.00	28,093.50	9,128.68	0.00	9,128.68
<b>NONEXPENDABLE TRUSTS:</b>							
W. HANKE SCHOLARSHIP	5,000.00	0.00	125.03	125.03	5,000.00	0.00	5,000.00
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>1,401,473.29</b>	<b>787.47</b>	<b>7,920,329.63</b>	<b>7,720,651.00</b>	<b>1,601,939.39</b>	<b>2,184.55</b>	<b>1,604,123.94</b>
<b>COMPONENT UNITS:</b>							
THE USD #498 FOUNDATION	445,905.92	0.00	23,186.11	26,742.07	442,349.96	0.00	442,349.96
V.H. AREA COMM. EDUC. & ACTION COUNCIL	2,386.61	0.00	61,620.00	51,146.92	2,859.69	0.00	2,859.69
<b>TOTAL REPORTING ENTITY (Excluding Agency Funds)</b>	<b>\$ 1,849,765.82</b>	<b>\$ 787.47</b>	<b>\$ 8,005,135.74</b>	<b>\$ 7,808,539.99</b>	<b>\$ 2,047,149.04</b>	<b>\$ 2,184.55</b>	<b>\$ 2,049,333.59</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 1  
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SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

COMPOSITION OF CASH: CASH IN BANK, CITIZENS STATE BANK, WATERVILLE, KANSAS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
- CHECKING ACCOUNT #110124							\$ (2,265.61)
- CHECKING ACCOUNT #209449							824.09
- CHECKING ACCOUNT #222909							1,000.00
- SUPERNOW ACCOUNT #211508							789.96
- MMMA ACCOUNT #227641 - WILLSON COMM. EDUC.							77,198.74
- CERTIFICATE OF DEPOSIT #22552, DUE 7-14-11, .4% - WILLSON							15,000.00
- CERTIFICATE OF DEPOSIT #1341, DUE 7-29-11, .25% - WILLSON							20,000.00
- CERTIFICATE OF DEPOSIT #16238, DUE 7-30-11, .25% - WILLSON							10,000.00
- CERTIFICATE OF DEPOSIT #1829, DUE 7-8-11, .4% - WILLSON							25,000.00
- CERTIFICATE OF DEPOSIT #19889, DUE 7-10-11, .5% - WILLSON							50,000.00
- CERTIFICATE OF DEPOSIT #21111, DUE 7-9-11, .4% - WILLSON							10,000.00
- CERTIFICATE OF DEPOSIT #21773, DUE 7-7-11, .4% - WILLSON							10,000.00
- CERTIFICATE OF DEPOSIT #22582, DUE 7-1-11, .4% - WILLSON							25,000.00
- CERTIFICATE OF DEPOSIT #1330, DUE 7-24-11, .4% - WILLSON							20,000.00
- CERTIFICATE OF DEPOSIT #21780, DUE 7-28-11, .25% - WILLSON							10,000.00
- CERTIFICATE OF DEPOSIT #23817, DUE 7-21-11, .4% - WILLSON							25,004.47
- CERTIFICATE OF DEPOSIT #23818, DUE 7-21-11, .4% - WILLSON							25,004.47
- CERTIFICATE OF DEPOSIT #6236, DUE 7-31-11, 1.3% - W. HANKE SCHOLARSHIP							5,000.00
SUBTOTAL CITIZENS STATE BANK							327,556.12
CASH IN BANK, STATE BANK OF BLUE RAPIDS, KANSAS							
- CHECKING ACCOUNT #1042180							3,030.91
- SUPERNOW ACCOUNT #1032480							42,855.00
- SUPERNOW ACCOUNT #1017080							(271,873.29)
- MMA ACCOUNT #1049980							1,511,429.16
SUBTOTAL STATE BANK OF BLUE RAPIDS, KANSAS							1,285,441.78
CASH IN BANK, BANK OF KANSAS CITY, KANSAS CITY, MO							
ACCOUNT #819127010							0.01
ACCOUNT #819127028							10,787.30
SUBTOTAL BANK OF KANSAS CITY, KANSAS CITY, MO							10,787.31
TOTAL CASH							1,623,785.21

(cont.)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 493  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 1  
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SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
COMPOSITION OF CASH:							
TOTAL CASH							\$ 1,623,785.21
LESS AGENCY FUNDS per STATEMENT 4							(19,661.27)
TOTAL REPORTING ENTITY CASH (Excluding Agency Funds)							1,604,123.94
COMPONENT UNIT - U.S.D. 498 FOUNDATION							
CASH IN BANK							
CITIZENS STATE BANK, WATERVILLE, KANSAS							
-CHECKING ACCOUNT #312074							(60.12)
-MMDA ACCOUNT #620897							1,765.00
-CERTIFICATE OF DEPOSIT #21642, DUE 3-2-12, 1.0%							10,000.00
-CERTIFICATE OF DEPOSIT #22636, DUE 9-7-11, 1.3%							10,167.08
-CERTIFICATE OF DEPOSIT #1560, DUE 7-5-12, 5.05%							2,000.00
STATE BANK OF BLUE RAPIDS, BLUE RAPIDS, KANSAS							
-CERTIFICATE OF DEPOSIT #1186316, DUE 10-28-11, .8%							21,669.65
-CERTIFICATE OF DEPOSIT #1196318, DUE 7-15-11, 2.6%							20,299.47
INVESTMENTS AT COST							
THE TRUST CO. MANHATTAN, KANSAS							
MONEY MARKET FUND							
CITIZENS STATE BANK CD							22,130.47
FIRST NATIONAL BANK WAMEGO CD							15,000.00
JP MORGAN CHASE BANK CD							25,000.00
KANSAS STATE BANK CD							10,000.00
JP MORGAN STEP UP CD 3/31/25							25,000.00
JP MORGAN STEP UP CD 4/26/25							10,000.00
BOA VAR. CD							10,000.00
COMMUNITY 1ST BANK BUMP UP							10,000.00
COMMUNITY 1ST BANK CD							15,000.00
AZ FT DEPIANCE							10,250.00
GENERAL ELECTRIC							9,000.00
SIoux FALLS SD							8,650.00
SC JOBS EDE							3,986.05
RIVER CITY STADIUM CA							8,608.06
TX DEPT OF HOUSING SFM REV							3,241.38
LA HOUSING FIN AGENCY SFM							6,946.81
HILR LLC (LITTLE ROCK HILTON)							6,261.45
SPARKS REG MED CTR COP							4,632.05
OHIO CO WV CO COMM SPL DIST							1,969.10
PIMCO TOTAL RET FD							4,126.25
VANGUARD ST INVMT GRADE							15,715.81
LL&P WIND ENERGY WA							54,192.29
NJ ECON DEV							9,045.00
NM MTG (MANZANO MESA APT)							4,777.30
BAXTER SPRINGS KS AMBAC							4,550.00
LORD ABBETT AFPL - 4523.592 shares							9,943.70
							66,573.15
SUBTOTAL #498 FOUNDATION							442,349.96
COMPONENT UNIT - VALLEY HEIGHTS AREA COMMUNITY ED. & ACTION COUNCIL							
CASH IN BANK							
CITIZENS STATE BANK, WATERVILLE, KANSAS							
-CHECKING ACCOUNT #106609							1,859.69
-CHECKING ACCOUNT #315415							1,000.00
SUBTOTAL VALLEY HEIGHTS AREA COMM. ED. & ACTION COUNCIL							2,859.69
TOTAL REPORTING ENTITY (Excluding Agency Funds)							\$ 2,049,333.59



VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 2

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND GOVERNMENTAL TYPE FUNDS:	CERTIFIED BUDGET	ADJUSTMENT TO COMPLY WITH LEGAL MAX		ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	TOTAL BUDGET FOR COMPARISON	EXPENDITURES CHARGEABLE TO CURRENT YEAR	VARIANCE - OVER (UNDER)
GENERAL FUND	\$ 3,118,929.00	\$ (70,116.00)	\$	133,485.50	\$ 3,182,298.50	\$ 3,182,298.01	\$ 0.49
SUPPLEMENTAL GENERAL	1,053,620.00	(5,585.00)		36,877.85	1,084,912.85	1,084,912.85	0.00
SPECIAL REVENUE FUNDS:							
BILINGUAL EDUCATION	1,500.00	0.00		0.00	1,500.00	1,500.00	0.00
CAPITAL OUTLAY	615,000.00	0.00		8,487.02	623,487.02	44,799.89	578,687.13
DRIVER TRAINING	8,143.00	0.00		0.00	8,143.00	3,010.14	5,132.86
AT RISK 4 YEAR OLD	27,593.00	0.00		0.00	27,593.00	13,980.29	13,612.71
FOOD SERVICE	332,486.00	0.00		2,246.29	334,712.29	322,827.57	11,884.72
PROFESSIONAL DEVELOPMENT	40,000.00	0.00		0.00	40,000.00	39,305.20	694.80
AT RISK K-12	367,069.00	0.00		0.00	367,069.00	315,349.97	51,719.03
PARENT EDUCATION PROGRAM	112,230.00	0.00		0.00	112,230.00	99,108.00	13,122.00
SUMMER SCHOOL	13,750.00	0.00		0.00	13,750.00	0.00	13,750.00
SPECIAL EDUCATION	801,046.00	0.00		0.00	801,046.00	682,749.60	118,296.40
VOCATIONAL EDUCATION	115,000.00	0.00		0.00	115,000.00	87,291.33	27,708.67
KPERS SPECIAL CONTR. FUND	201,497.00	0.00		0.00	201,497.00	152,604.82	48,892.18
DEBT SERVICE:							
BOND AND INTEREST	285,193.00	0.00		0.00	285,193.00	285,192.50	0.50

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 3  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND</b>			
<b>CASH RECEIPTS</b>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2009	\$ 6,834.60	\$ 6,531.00	\$ 303.60
-2010	251,928.18	242,822.00	9,106.18
DELINQUENT PROPERTY TAX	3,251.68	2,035.00	1,216.68
<b>TOTAL TAXES AND SHARED REVENUE</b>	<b>262,014.46</b>	<b>251,388.00</b>	<b>10,626.46</b>
<b>STATE SOURCES--</b>			
GENERAL STATE AID	2,277,887.00	2,411,826.00	(133,939.00)
SPECIAL EDUCATION	398,388.00	401,166.00	(2,778.00)
MINERAL PRODUCTION TAX	1.32	0.00	1.32
<b>TOTAL STATE SOURCES</b>	<b>2,676,276.32</b>	<b>2,812,992.00</b>	<b>(136,715.68)</b>
FEDERAL ARRA STABILIZATION	54,548.00	54,548.00	0.00
FEDERAL EDUCATION JOBS	95,513.00	0.00	95,513.00
REIMBURSEMENTS	133,485.50	0.00	133,485.50
<b>TOTAL CASH RECEIPTS</b>	<b>3,221,837.28</b>	<b>\$ 3,118,928.00</b>	<b>\$ 102,909.28</b>
<b>EXPENDITURES</b>			
<b>INSTRUCTION--</b>			
SALARIES	729,543.63	\$ 848,000.00	\$ 118,456.37
SALARIES - ARRA	8,269.86	0.00	(8,269.86)
SALARIES - EDUCATION JOBS	95,513.00	0.00	(95,513.00)
EMPLOYEE BENEFITS	214,656.23	234,000.00	19,343.77
EMPLOYEE BENEFITS - ARRA	10,097.73	0.00	(10,097.73)
OTHER PURCHASED SERVICES	4,086.76	4,000.00	(86.76)
SUPPLIES	69,008.53	114,000.00	44,991.47
PROPERTY (EQUIP. & FURN.)	6,571.18	30,000.00	23,428.82
OTHER	0.00	16,000.00	16,000.00
<b>TOTAL INSTRUCTION</b>	<b>1,137,746.92</b>	<b>1,246,000.00</b>	<b>108,253.08</b>
<b>STUDENT SUPPORT SERVICES--</b>			
SALARIES	56,539.53	59,000.00	2,460.47
SALARIES - ARRA	4,168.18	0.00	(4,168.18)
EMPLOYEE BENEFITS	20,177.28	26,200.00	6,022.72
EMPLOYEE BENEFITS - ARRA	416.77	0.00	(416.77)
OTHER PURCHASED SERVICES	1,258.82	500.00	(758.82)
SUPPLIES	1,530.54	1,000.00	(530.54)
<b>TOTAL STUDENT SUPPORT SERVICES</b>	<b>84,091.12</b>	<b>86,700.00</b>	<b>2,608.88</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND (CONT.)</b>			
<b>EXPENDITURES</b>			
INSTRUCTIONAL SUPPORT STAFF--			
SALARIES	\$ 57,985.16	\$ 64,000.00	\$ 6,014.84
SALARIES - ARRA	5,409.74	0.00	(5,409.74)
EMPLOYEE BENEFITS	20,841.22	21,000.00	158.78
EMPLOYEE BENEFITS - ARRA	625.16	0.00	(625.16)
OTHER PURCHASED SERVICES	90.00	0.00	(90.00)
SUPPLIES	12,150.75	16,500.00	4,349.25
PROPERTY (EQUIP. & FURN.)	1,239.00	0.00	(1,239.00)
<b>TOTAL INSTRUCTIONAL SUPPORT STAFF</b>	<b>98,341.03</b>	<b>101,500.00</b>	<b>3,158.97</b>
 GENERAL ADMINISTRATION--			
SALARIES	110,638.43	139,000.00	28,361.57
EMPLOYEE BENEFITS	33,147.88	37,300.00	4,152.12
PURCHASED PROF. & TECH. SERVICES	17,321.60	0.00	(17,321.60)
OTHER PURCHASED SERVICES	4,228.63	7,000.00	2,771.37
SUPPLIES	10,803.19	15,000.00	4,196.81
PROPERTY (EQUIP. & FURN.)	1,551.00	0.00	(1,551.00)
OTHER	12,569.84	16,000.00	3,430.16
<b>TOTAL GENERAL ADMINISTRATION</b>	<b>190,260.57</b>	<b>214,300.00</b>	<b>24,039.43</b>
 SCHOOL ADMINISTRATION--			
SALARIES	173,580.07	182,000.00	8,419.93
SALARIES - ARRA	23,297.35	0.00	(23,297.35)
EMPLOYEE BENEFITS	49,535.74	52,800.00	3,264.26
EMPLOYEE BENEFITS - ARRA	2,263.21	0.00	(2,263.21)
OTHER PURCHASED SERVICES	5,918.78	5,400.00	(518.78)
SUPPLIES	2,767.45	4,000.00	1,232.55
<b>TOTAL SCHOOL ADMINISTRATION</b>	<b>257,362.60</b>	<b>244,200.00</b>	<b>(13,162.60)</b>
 OPERATIONS AND MAINTENANCE--			
SALARIES	5,934.78	0.00	(5,934.78)
EMPLOYEE BENEFITS	2,143.96	0.00	(2,143.96)
PURCHASED PROPERTY SERVICES	7,606.62	0.00	(7,606.62)
SUPPLIES	0.00	10,000.00	10,000.00
UTILITIES	52,013.72	0.00	(52,013.72)
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>67,699.08</b>	<b>10,000.00</b>	<b>(57,699.08)</b>
 OTHER SUPPLEMENTAL SERVICES--			
SALARIES	17,530.45	0.00	-17,530.45
EMPLOYEE BENEFITS	1,826.88	0.00	-1,826.88
<b>TOTAL OTHER SUPPLEMENTAL SERVICES</b>	<b>19,357.33</b>	<b>0.00</b>	<b>-19,357.33</b>

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND (CONT.)</b>			
<b><u>EXPENDITURES</u></b>			
STUDENT TRANSPORTATION SERVICES--			
SUPERVISION			
SALARIES	\$ 5,247.07	\$ 3,500.00	\$ (1,747.07)
EMPLOYEE BENEFITS	1,266.43	253.00	(1,013.43)
OTHER	8,539.00	8,000.00	(539.00)
VEHICLE OPERATING SERVICES			
SALARIES	49,632.75	51,000.00	1,367.25
EMPLOYEE BENEFITS	10,384.29	13,300.00	2,915.71
OTHER PURCHASED SERVICES	0.00	8,500.00	8,500.00
FUEL	38,112.89	45,000.00	6,887.11
EQUIPMENT	0.00	40,971.00	40,971.00
OTHER	12,089.41	0.00	(12,089.41)
VEHICLE SERVICES & MAINTENANCE			
SALARIES	2,790.22	5,000.00	2,209.78
EMPLOYEE BENEFITS	216.22	505.00	288.78
PURCHASED PROPERTY SERVICES	24,175.68	25,000.00	824.32
SUPPLIES	0.00	2,300.00	2,300.00
<b>TOTAL STUDENT TRANSPORTATION SERVICES</b>	<u>152,453.96</u>	<u>203,329.00</u>	<u>50,875.04</u>
OPERATING TRANSFERS--			
DRIVERS EDUCATION	120.00	1,000.00	880.00
BILINGUAL EDUCATION	2,550.00	1,500.00	(1,050.00)
FOOD SERVICE	91,700.00	50,000.00	(41,700.00)
PROFESSIONAL DEVELOPMENT	44,300.00	30,000.00	(14,300.00)
PARENT EDUCATION PROGRAM	13,359.00	13,400.00	41.00
SPECIAL EDUCATION	553,888.00	600,000.00	46,112.00
VOCATIONAL EDUCATION	76,367.73	75,000.00	(1,367.73)
AT RISK 4 YR OLD	11,700.00	12,000.00	300.00
AT RISK K-12	381,000.67	230,000.00	(151,000.67)
<b>TOTAL TRANSFERS</b>	<u>1,174,985.40</u>	<u>1,012,900.00</u>	<u>(162,085.40)</u>
ADJUSTMENT TO COMPLY WITH LEGAL MAX	<u>0.00</u>	<u>(70,116.00)</u>	<u>(70,116.00)</u>
LEGAL GENERAL FUND BUDGET	3,182,298.01	3,048,813.00	(133,485.01)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	<u>0.00</u>	<u>133,485.50</u>	<u>133,485.50</u>
<b>TOTAL EXPENDITURES</b>	<u>3,182,298.01</u>	<u>\$ 3,182,298.50</u>	<u>\$ 0.49</u>
RECEIPTS OVER (UNDER) EXPENDITURES	39,539.27		
UNENCUMBERED CASH, JULY 1, 2010	<u>(274,262.45)</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ (234,723.18)</u>		

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>SUPPLEMENTAL GENERAL FUND</b>			
<b>CASH RECEIPTS</b>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2009	\$ 12,441.24	\$ 21,882.00	\$ (9,440.76)
-2010	415,884.15	396,106.00	19,778.15
DELINQUENT TAX	7,074.78	3,197.00	3,877.78
MOTOR VEHICLE TAX	57,450.44	59,995.00	(2,544.56)
RECREATIONAL VEHICLE TAX	1,114.58	1,140.00	(25.42)
<b>TOTAL TAXES AND SHARED REVENUE</b>	<b>493,965.19</b>	<b>482,320.00</b>	<b>11,645.19</b>
STATE OF KANSAS -STATE AID	642,442.00	565,604.00	76,838.00
REIMBURSEMENTS	36,877.85	0.00	36,877.85
<b>TOTAL OTHER CASH RECEIPTS</b>	<b>679,319.85</b>	<b>565,604.00</b>	<b>113,715.85</b>
<b>TOTAL CASH RECEIPTS</b>	<b>1,173,285.04</b>	<b>\$ 1,047,924.00</b>	<b>\$ 125,361.04</b>
<b>EXPENDITURES</b>			
INSTRUCTION - OTHER PURCHASED SERVICES	43,278.62	\$ 60,000.00	\$ 16,721.38
- SUPPLIES	54,439.60	81,192.00	26,752.40
- EQUIPMENT	59,453.99	80,000.00	20,546.01
- OTHER	29,194.15	25,800.00	(3,394.15)
GENERAL ADMINISTRATION - SALARIES	13,864.82	14,250.00	385.18
- EMPLOYEE BENEFITS	1,383.56	1,010.00	(373.56)
- OTHER	240.00	0.00	(240.00)
OPERATIONS AND MAINTENANCE - SALARIES	114,067.62	125,000.00	10,932.38
- EMPLOYEE BENEFITS	32,390.60	45,500.00	13,109.40
- PURCHASED PROPERTY SERVICES	368,425.54	206,000.00	(162,425.54)
- OTHER PURCHASED SERVICES	63,363.66	38,000.00	(25,363.66)
- SUPPLIES	23,336.51	25,000.00	1,663.49
- UTILITIES	88,266.70	149,000.00	60,733.30
- OTHER	199.69	0.00	(199.69)
OTHER SUPP. SERVICES - SALARIES	39,561.72	39,000.00	(561.72)
- EMPLOYEE BENEFITS	21,175.76	21,500.00	324.24
- COMMUNITY SERVICES	0.00	12,368.00	12,368.00
TRANSFER TO SPECIAL EDUCATION	126,000.00	60,000.00	(66,000.00)
TRANSFER TO VOCATIONAL EDUCATION	4,016.81	0.00	(4,016.81)
TRANSFER TO 4 YEAR OLD AT RISK	2,200.00	0.00	(2,200.00)
TRANSFER TO K-12 AT RISK	53.50	70,000.00	69,946.50
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(5,585.00)	(5,585.00)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	36,877.85	36,877.85
<b>TOTAL EXPENDITURES</b>	<b>1,084,912.85</b>	<b>\$ 1,084,912.85</b>	<b>\$ 0.00</b>
RECEIPTS OVER (UNDER) EXPENDITURES	88,372.19		
PRIOR YEAR CANCELED ENCUMBRANCE	712.20		
UNENCUMBERED CASH, JULY 1, 2010	(109,069.14)		
UNENCUMBERED CASH, JUNE 30, 2011	\$ (19,984.75)		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>CAPITAL OUTLAY FUND</b>			
<b>CASH RECEIPTS</b>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2009	\$ 2,321.30	\$ 4,426.00	\$ (2,104.70)
-2010	43,323.28	41,885.00	1,438.28
DELINQUENT TAX	1,227.27	596.00	631.27
MOTOR VEHICLE TAX	8,973.17	9,631.00	(657.83)
RECREATIONAL VEHICLE TAX	174.76	183.00	(8.24)
<b>TOTAL TAXES AND SHARED REVENUE</b>	<b>56,019.78</b>	<b>56,721.00</b>	<b>(701.22)</b>
REIMBURSEMENTS	8,487.02	0.00	8,487.02
INTEREST	14,393.14	0.00	14,393.14
<b>TOTAL CASH RECEIPTS</b>	<b>78,899.94</b>	<b>\$ 56,721.00</b>	<b>\$ 22,178.94</b>
<b>EXPENDITURES</b>			
INSTRUCTION - PROPERTY (EQUIP. & FURN.)	0.00	\$ 100,000.00	\$ 100,000.00
OPERATIONS & MAINT. - PROPERTY (EQUIP. & FURN.)	0.00	75,000.00	75,000.00
TRANSPORTATION - (EQUIPMENT & BUSES)	0.00	80,000.00	80,000.00
FACILITY - OTHER	24,000.00	10,000.00	(14,000.00)
SITE IMPROVEMENT	20,799.89	300,000.00	279,200.11
BUILDING IMPROVEMENT (OUTSIDE CONTRACTORS)	0.00	50,000.00	50,000.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	8,487.02	8,487.02
<b>TOTAL EXPENDITURES</b>	<b>44,799.89</b>	<b>\$ 623,487.02</b>	<b>\$ 578,687.13</b>
RECEIPTS OVER (UNDER) EXPENDITURES	34,100.05		
UNENCUMBERED CASH, JULY 1, 2010	615,711.97		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 649,812.02		
<b>ENERGY IMPROVEMENT PROJECT</b>			
<b>CASH RECEIPTS</b>			
QZAB BOND SERIES 2010A- CITIZENS STATE BANK	\$ 400,000.00		
QZAB BOND SERIES 2010B- STATE BANK OF BLUE RAPIDS	400,000.00		
INTEREST ON FUNDS	21.31		
MCLINEY AND COMPANY	1,000.00		
<b>TOTAL CASH RECEIPTS</b>	<b>801,021.31</b>		
<b>EXPENDITURES</b>			
ENERGY IMPROVEMENT PROJECTS	752,190.00		
ACCEPTANCE FEE	1,000.00		
PARTICIPATION FEE (2%)	16,000.00		
KANSAS CORPORATION COMMISSION	21,044.00		
<b>TOTAL EXPENDITURES</b>	<b>790,234.00</b>		
RECEIPTS OVER (UNDER) EXPENDITURES	10,787.31		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 10,787.31		

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>DRIVER TRAINING FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS - STATE AID	\$ 888.00	\$ 1,050.00	\$ (162.00)
INTEREST ON IDLE FUNDS	0.00	2,500.00	(2,500.00)
OTHER REVENUE FROM LOCAL SOURCE	5,200.00	3,500.00	1,700.00
TRANSFER FROM GENERAL	120.00	1,000.00	(880.00)
<b>TOTAL CASH RECEIPTS</b>	<u>6,208.00</u>	<u>\$ 8,050.00</u>	<u>\$ (1,842.00)</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	1,320.00	\$ 4,900.00	\$ 3,580.00
- EMPLOYEE BENEFITS	102.30	500.00	397.70
- PURCHASED PROF. & TECH. SERV.	0.00	2,743.00	2,743.00
- SUPPLIES	1,045.00	0.00	(1,045.00)
VEHICLE OPER. MAINT. SERVICES - FUEL	542.84	0.00	(542.84)
<b>TOTAL EXPENDITURES</b>	<u>3,010.14</u>	<u>\$ 8,143.00</u>	<u>\$ 5,132.86</u>
RECEIPTS OVER (UNDER) EXPENDITURES	3,197.86		
UNENCUMBERED CASH, JULY 1, 2010	<u>1,617.96</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 4,815.82</u>		
 <b>AT RISK 4 YEAR OLD</b>			
<u>CASH RECEIPTS</u>			
INTEREST	\$ 0.00	\$ 12,000.00	\$ (12,000.00)
TRANSFER FROM GENERAL	11,700.00	12,000.00	(300.00)
TRANSFER FROM SUPPLEMENTAL GENERAL	2,200.00	0.00	2,200.00
<b>TOTAL CASH RECEIPTS</b>	<u>13,900.00</u>	<u>\$ 24,000.00</u>	<u>\$ (10,100.00)</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	12,751.16	\$ 22,000.00	\$ 9,248.84
- EMPLOYEE BENEFITS	1,229.13	5,593.00	4,363.87
<b>TOTAL EXPENDITURES</b>	<u>13,980.29</u>	<u>\$ 27,593.00</u>	<u>\$ 13,612.71</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(80.29)		
UNENCUMBERED CASH, JULY 1, 2010	<u>6,593.01</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 6,512.72</u>		

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>FOOD SERVICE FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS - STATE AID	\$ 2,300.19	\$ 1,996.00	\$ 304.19
- FEDERAL AID	136,534.52	131,274.00	5,260.52
- STATE EQUIPMENT GRANT	23,905.00	0.00	23,905.00
MEALS	66,122.75	94,590.00	(28,467.25)
TRANSFER FROM GENERAL FUND	91,700.00	50,000.00	41,700.00
INTEREST ON IDLE FUNDS	83.55	300.00	(216.45)
REIMBURSEMENTS	2,246.29	14,000.00	(11,753.71)
<b>TOTAL CASH RECEIPTS</b>	<u>322,892.30</u>	<u>\$ 292,160.00</u>	<u>\$ 30,732.30</u>
<u>EXPENDITURES</u>			
OPER. & MAINTENANCE - SALARIES	4,568.12	\$ 46,766.00	\$ 42,197.88
- EMPLOYEE BENEFITS	348.22	0.00	(348.22)
- OTHER PURCHASED SERVICES	1,669.35	0.00	(1,669.35)
- PURCHASED PROP. SERVICES	4,574.96	0.00	(4,574.96)
- MOTOR FUEL	0.00	2,000.00	2,000.00
FOOD SERVICE OPERATION - SALARIES	95,556.43	107,000.00	11,443.57
- EMPLOYEE BENEFITS	25,306.68	23,700.00	(1,606.68)
- OTHER PURCHASED SERVICES	7.92	0.00	(7.92)
- FOOD & SUPPLIES	153,886.57	144,000.00	(9,886.57)
- PROPERTY (EQUIP.)	34,348.08	3,000.00	(31,348.08)
- OTHER	2,561.24	6,000.00	3,438.76
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	2,246.29	2,246.29
<b>TOTAL EXPENDITURES</b>	<u>322,827.57</u>	<u>\$ 334,712.29</u>	<u>\$ 11,884.72</u>
RECEIPTS OVER (UNDER) EXPENDITURES	64.73		
UNENCUMBERED CASH, JULY 1, 2010	<u>40,415.86</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 40,480.59</u>		
 <b>CONSTRUCTION</b>			
<u>CASH RECEIPTS</u>			
DONATION	\$ 500.00		
<u>EXPENDITURES</u>			
BUILDING PROJECT	<u>83,989.91</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	(83,489.91)		
UNENCUMBERED CASH, JULY 1, 2010	<u>127,724.22</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 44,234.31</u>		

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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>PROFESSIONAL DEVELOPMENT FUND</b>			
<u>CASH RECEIPTS</u>			
INTEREST ON IDLE FUNDS	\$ 0.00	\$ 1,000.00	\$ (1,000.00)
TRANSFER FROM GENERAL FUND	44,300.00	30,000.00	14,300.00
TOTAL CASH RECEIPTS	44,300.00	\$ 31,000.00	\$ 13,300.00
<u>EXPENDITURES</u>			
INSTR. SUPPORT - SALARIES	23,017.71	\$ 20,000.00	\$ (3,017.71)
- EMPLOYEE BENEFITS	1,948.18	0.00	(1,948.18)
- PURCHASED PROF. & TECH. SERV.	7,398.65	0.00	(7,398.65)
- OTHER PURCHASED SERVICES	5,359.54	15,000.00	9,640.46
- SUPPLIES	821.98	0.00	(821.98)
OTHER SUPP. SERVICE - SALARIES	705.12	0.00	(705.12)
- EMPLOYEE BENEFITS	54.02	0.00	(54.02)
- OTHER PURCHASED SERVICES	0.00	5,000.00	5,000.00
TOTAL EXPENDITURES	39,305.20	\$ 40,000.00	\$ 694.80
RECEIPTS OVER (UNDER) EXPENDITURES	4,994.80		
UNENCUMBERED CASH, JULY 1, 2010	10,164.24		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 15,159.04		
<b>AT RISK K-12</b>			
<u>CASH RECEIPTS</u>			
INTEREST ON IDLE FUNDS	\$ 0.00	\$ 10,000.00	\$ (10,000.00)
TRANSFER FROM GENERAL	381,000.67	230,000.00	151,000.67
TRANSFER FROM SUPPLEMENTAL GENERAL	53.50	70,000.00	(69,946.50)
TOTAL CASH RECEIPTS	381,054.17	\$ 310,000.00	\$ 71,054.17
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	276,279.10	\$ 280,000.00	\$ 3,720.90
- EMPLOYEE BENEFITS	35,798.34	48,000.00	12,201.66
- PURCHASED PROF. & TECH. SERV.	199.00	0.00	(199.00)
- SUPPLIES	3,073.53	13,069.00	9,995.47
- PROPERTY (EQUIP. & FURN.)	0.00	3,000.00	3,000.00
OTHER SUPP. SERVICE - SALARIES	0.00	23,000.00	23,000.00
TOTAL EXPENDITURES	315,349.97	\$ 367,069.00	\$ 51,719.03
RECEIPTS OVER (UNDER) EXPENDITURES	65,704.20		
UNENCUMBERED CASH, JULY 1, 2010	57,122.23		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 122,826.43		

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	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>PARENT EDUCATION PROGRAM FUND</b>			
<u>CASH RECEIPTS</u>			
PAYMENT FROM OTHER SCHOOL DISTRICTS	\$ 25,932.06	\$ 26,000.00	\$ (67.94)
STATE OF KANSAS - STATE AID	59,877.00	60,448.00	(571.00)
TRANSFER FROM GENERAL	13,359.00	13,400.00	(41.00)
<b>TOTAL CASH RECEIPTS</b>	<u>99,168.06</u>	<u>\$ 99,848.00</u>	<u>\$ (679.94)</u>
<u>EXPENDITURES</u>			
STUDENT SUPPORT - SALARIES	70,937.34	\$ 76,000.00	\$ 5,062.66
- EMPLOYEE BENEFITS	9,862.36	11,000.00	1,137.64
- OTHER PURCHASED SERVICES	5,608.70	4,000.00	(1,608.70)
- SUPPLIES	1,689.92	2,000.00	310.08
- PROPERTY (EQUIP. & FURN.)	1,547.99	0.00	(1,547.99)
- OTHER	5,860.80	5,700.00	(160.80)
INSTR. SUPPORT - EMPLOYEE BENEFITS	0.00	9,730.00	9,730.00
- OTHER PURCHASED SERVICES	0.00	200.00	200.00
OTHER SUPP. SERV. - SALARIES	1,039.60	1,000.00	(39.60)
- EMPLOYEE BENEFITS	80.54	100.00	19.46
- PURCHASED PROPERTY SERVICES	2,480.75	2,500.00	19.25
<b>TOTAL EXPENDITURES</b>	<u>99,108.00</u>	<u>\$ 112,230.00</u>	<u>\$ 13,122.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	60.06		
PRIOR YEAR CANCELED ENCUMBRANCE	66.57		
UNENCUMBERED CASH, JULY 1, 2010	<u>12,401.71</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 12,528.34</u>		
 <b>SUMMER SCHOOL FUND</b>			
<u>CASH RECEIPTS</u>			
MISCELLANEOUS	\$ 0.00	\$ 14,000.00	\$ (14,000.00)
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	0.00	\$ 13,000.00	\$ 13,000.00
- EMPLOYEE BENEFITS	0.00	750.00	750.00
<b>TOTAL EXPENDITURES</b>	<u>0.00</u>	<u>\$ 13,750.00</u>	<u>\$ 13,750.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	<u>0.41</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 0.41</u>		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 <u>ACTUAL</u>	10-11 <u>BUDGET</u>	VARIANCE - OVER (UNDER)
<b>SPECIAL EDUCATION FUND</b>			
<u>CASH RECEIPTS</u>			
INTEREST ON IDLE FUNDS	\$ 3,572.57	\$ 15,000.00	\$ (11,427.43)
TRANSFER FROM GENERAL FUND	553,888.00	600,000.00	(46,112.00)
TRANSFER FROM SUPPLEMENTAL GENERAL	<u>126,000.00</u>	<u>60,000.00</u>	<u>66,000.00</u>
TOTAL CASH RECEIPTS	<u>683,460.57</u>	<u>\$ 675,000.00</u>	<u>\$ 8,460.57</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	25,844.76	\$ 25,000.00	\$ (844.76)
- EMPLOYEE BENEFITS	15,695.20	35,000.00	19,304.80
- PAYMENT TO COOP	623,871.53	650,646.00	26,774.47
- SUPPLIES	2,962.98	5,500.00	2,537.02
- EQUIPMENT	69.95	0.00	(69.95)
STUDENT TRANSPORTATION SERVICES			
- SALARIES	5,162.16	12,000.00	6,837.84
- EMPLOYEE BENEFITS	6,481.88	7,400.00	918.12
- SUPPLIES	0.00	5,000.00	5,000.00
VEHICLE OPERATION - OTHER PURCHASED SERVICES	0.00	500.00	500.00
- SUPPLIES, FUEL	2,661.14	0.00	(2,661.14)
OTHER SUPP. SERV. - SALARIES	<u>0.00</u>	<u>60,000.00</u>	<u>60,000.00</u>
TOTAL EXPENDITURES	<u>682,749.60</u>	<u>\$ 801,046.00</u>	<u>\$ 118,296.40</u>
RECEIPTS OVER (UNDER) EXPENDITURES	710.97		
UNENCUMBERED CASH, JULY 1, 2010	<u>125,827.64</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 126,538.61</u>		
 <b>BILINGUAL EDUCATION</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 2,550.00	\$ 1,500.00	\$ 1,050.00
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	1,475.95	\$ 1,000.00	\$ (475.95)
- EMPLOYEE BENEFITS	24.05	0.00	(24.05)
- PURCHASED PROF. & TECH. SERVICES	<u>0.00</u>	<u>500.00</u>	<u>500.00</u>
TOTAL EXPENDITURES	<u>1,500.00</u>	<u>\$ 1,500.00</u>	<u>\$ 0.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	1,050.00		
UNENCUMBERED CASH, JULY 1, 2010	<u>6.78</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 1,056.78</u>		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>VOCATIONAL EDUCATION FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 76,367.73	\$ 75,000.00	\$ 1,367.73
TRANSFER FROM SUPPLEMENTAL GENERAL	4,016.81	0.00	4,016.81
MISCELLANEOUS	5,706.96	10,000.00	(4,293.04)
ACTIVITY FEES	<u>1,015.63</u>	<u>0.00</u>	<u>1,015.63</u>
TOTAL CASH RECEIPTS	<u>87,107.13</u>	<u>\$ 85,000.00</u>	<u>\$ 2,107.13</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	60,336.07	\$ 58,000.00	\$ (2,336.07)
- EMPLOYEE BENEFITS	15,837.73	16,500.00	662.27
- OTHER PURCHASED SERVICES	308.49	500.00	191.51
- SUPPLIES	5,111.06	10,000.00	4,888.94
- PROPERTY (EQUIP. & FURN.)	1,512.83	4,000.00	2,487.17
- OTHER	1,698.37	6,000.00	4,301.63
OPERATIONS AND MAINTENANCE			
- FUEL	2,486.78	0.00	(2,486.78)
OTHER SUPP. SERV. - SALARIES	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>
TOTAL EXPENDITURES	<u>87,291.33</u>	<u>\$ 115,000.00</u>	<u>\$ 27,708.67</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(184.20)		
UNENCUMBERED CASH, JULY 1, 2010	<u>30,436.77</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 30,252.57</u>		
 <b>CONTINGENCY RESERVE FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ <u>0.00</u>		
<u>EXPENDITURES</u>			
UTILITIES	<u>0.00</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	<u>207,512.45</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 207,512.45</u>		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>BOND AND INTEREST FUND</b>			
<u>CASH RECEIPTS</u>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2009	\$ 2,939.46	\$ 4,860.00	\$ (1,920.54)
-2010	91,715.03	88,670.00	3,045.03
DELINQUENT PROPERTY TAX	1,707.82	755.00	952.82
MOTOR VEHICLE TAX	14,493.25	14,972.00	(478.75)
RECREATIONAL VEHICLE TAX	280.87	284.00	(3.13)
OTHER REVENUE FROM LOCAL SOURCE	74,510.42	58,000.00	16,510.42
STATE AID	116,929.00	116,929.00	0.00
<b>TOTAL RECEIPTS</b>	<b>302,575.85</b>	<b>\$ 284,470.00</b>	<b>\$ 18,105.85</b>
<u>EXPENDITURES</u>			
INTEREST	140,192.50	\$ 140,193.00	\$ 0.50
PRINCIPAL	145,000.00	145,000.00	0.00
<b>TOTAL EXPENDITURES</b>	<b>285,192.50</b>	<b>\$ 285,193.00</b>	<b>\$ 0.50</b>
RECEIPTS OVER (UNDER) EXPENDITURES	17,383.35		
UNENCUMBERED CASH, JULY 1, 2010	209,013.17		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 226,396.52		
 <b>KPERS SPECIAL RETIREMENT CONTRIBUTION FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 152,604.82	\$ 201,497.00	\$ (48,892.18)
<u>EXPENDITURES</u>			
INSTRUCTION - EMPLOYEE BENEFITS	92,466.44	\$ 110,497.00	\$ 18,030.56
STUDENT SUPPORT - EMPLOYEE BENEFITS	8,654.85	15,000.00	6,345.15
INSTRUCTIONAL SUPPORT - EMPLOYEE BENEFITS	5,053.64	10,000.00	4,946.36
GENERAL ADMINISTRATION - EMPLOYEE BENEFITS	9,910.47	15,000.00	5,089.53
SCHOOL ADMINISTRATION - EMPLOYEE BENEFITS	13,333.22	20,000.00	6,666.78
OTHER SUPP. SERVICES - EMPLOYEE BENEFITS	4,093.37	3,000.00	(1,093.37)
OPER. & MAINTENANCE - EMPLOYEE BENEFITS	8,386.74	12,000.00	3,613.26
STUDENT TRANS. SERVICES - EMPLOYEE BENEFITS	3,767.60	4,000.00	232.40
FOOD SERVICE - EMPLOYEE BENEFITS	6,938.49	12,000.00	5,061.51
<b>TOTAL EXPENDITURES</b>	<b>152,604.82</b>	<b>\$ 201,497.00</b>	<b>\$ 48,892.18</b>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>TITLE I</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 56,607.00		
 <u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	40,852.03		
- EMPLOYEE BENEFITS	11,993.70		
- OTHER PURCHASED SERVICES	4,139.67		
- SUPPLIES	1,247.11		
- EQUIPMENT	129.00		
TOTAL EXPENDITURES	58,361.51		
RECEIPTS OVER (UNDER) EXPENDITURES	(1,754.51)		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ (1,754.51)		
 <b>TITLE IV</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 326.00		
 <u>EXPENDITURES</u>			
INSTRUCTION - SUPPLIES	265.18		
RECEIPTS OVER (UNDER) EXPENDITURES	60.82		
UNENCUMBERED CASH, JULY 1, 2010	(60.82)		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
 <b>TITLE II - D ARRA</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 1,394.00		
 <u>EXPENDITURES</u>			
PURCHASED PROFESSIONAL & TECH. SERVICES	1,394.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		



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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>L.E. WILLSON TRUST FUND</b>			
<u>CASH RECEIPTS</u>			
INVESTMENT INCOME FROM TRUST	\$ 125,335.43		
INTEREST ON IDLE FUNDS	2,396.09		
PRE-SCHOOL ENROLLMENT FEES	6,124.00		
COMMUNITY EDUCATION ACTIVITY	<u>13,778.05</u>		
TOTAL RECEIPTS	<u>147,633.57</u>		
<u>EXPENDITURES</u>			
COMMUNITY EDUCATION - SALARIES	12,500.83		
- EMPLOYEE BENEFITS	6,522.83		
- SUPPLIES, MISCELLANEOUS	8,364.95		
- MAINTENANCE	35.00		
- UTILITIES	28.26		
- ACTIVITY	15,932.53		
- OTHER	3,130.00		
PRE-SCHOOL - SALARIES	33,722.46		
- EMPLOYEE BENEFITS	8,242.26		
- SUPPLIES, MISCELLANEOUS	4,693.87		
- EQUIPMENT	8,737.62		
- CUSTODIAL & MAINTENANCE	3,231.82		
- UTILITIES	1,922.49		
SUMMER SCH. - SUPPLIES, MISCELLANEOUS	3,554.00		
REQUESTS - CITY	5,060.00		
- PATRON	4,372.20		
- AFTER SCHOOL GRANT	<u>25,000.00</u>		
TOTAL EXPENDITURES	<u>145,051.12</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	2,582.45		
UNENCUMBERED CASH, JULY 1, 2010	<u>318,359.62</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 320,942.07</u>		
 <b>HRSA GRANT</b>			
<u>CASH RECEIPTS</u>			
FEDERAL HRSA GRANT	\$ 45,108.00		
REIMBURSEMENTS	<u>1,085.43</u>		
TOTAL RECEIPTS	<u>46,193.43</u>		
<u>EXPENDITURES</u>			
SALARIES	14,905.53		
OTHER PURCHASED SERVICES	1,249.23		
SUPPLIES	<u>30,039.18</u>		
TOTAL EXPENDITURES	<u>46,193.94</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	(0.51)		
UNENCUMBERED CASH, JULY 1, 2010	<u>0.51</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ (0.00)</u>		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>TEACH AMERICAN HISTORY GRANT</b>			
<u>CASH RECEIPTS</u>			
TEACH AMERICAN HISTORY GRANT	\$ 0.00		
<u>EXPENDITURES</u>			
SUPPLIES	1.00		
RECEIPTS OVER (UNDER) EXPENDITURES	(1.00)		
UNENCUMBERED CASH, JULY 1, 2010	1.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
 <b>GIFTS &amp; GRANTS</b>			
<u>CASH RECEIPTS</u>			
HELVERING & GUISE-WEBER DONATIONS-PAT GIF	\$ 3,500.00		
STATE BANK OF BLUE RAPIDS-PRESCHOOL GIFT	250.00		
40TH ANNIVERSARY BRICKS	160.00		
TOTAL CASH RECEIPTS	3,910.00		
<u>EXPENDITURES</u>			
PAT GIFT EXPENSES	913.37		
RECEIPTS OVER (UNDER) EXPENDITURES	2,996.63		
PRIOR YEAR CANCELED ENCUMBRANCE	8.70		
UNENCUMBERED CASH, JULY 1, 2010	5,380.98		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 8,386.31		
 <b>TITLE II - D</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 220.00		
<u>EXPENDITURES</u>			
TECHNOLOGY	220.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 <u>ACTUAL</u>	10-11 <u>BUDGET</u>	VARIANCE - OVER (UNDER)
<b>RURAL EDUCATION ACHIEVEMENT PROGRAM</b>			
<u>CASH RECEIPTS</u>			
U.S. DEPT OF EDUCATION	\$ 7,542.80		
<u>EXPENDITURES</u>			
INSTRUCTION	2,253.74		
- SALARIES	169.40		
- EMPLOYEE BENEFITS	5,539.62		
- SUPPLIES			
TOTAL EXPENDITURES	7,962.76		
RECEIPTS OVER (UNDER) EXPENDITURES	(419.96)		
UNENCUMBERED CASH, JULY 1, 2010	484.59		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 64.63		
 <b>EARLY CHILDHOOD GRANT</b>			
<u>CASH RECEIPTS</u>			
GRANT AWARD	\$ 70,624.00		
WILLSON FUND GRANT MATCH	3,500.00		
TOTAL CASH RECEIPTS	74,124.00		
<u>EXPENDITURES</u>			
SALARIES	42,674.74		
EMPLOYEE BENEFITS	8,215.69		
PURCHASED PROFESSIONAL & TECHNICAL SERVICES	2,000.00		
OTHER PURCHASED SERVICES	2,468.64		
SUPPLIES	5,377.39		
OTHER	2,946.00		
TOTAL EXPENDITURES	63,682.46		
RECEIPTS OVER (UNDER) EXPENDITURES	10,441.54		
UNENCUMBERED CASH, JULY 1, 2010	(12,145.46)		
UNENCUMBERED CASH, JUNE 30, 2011	\$ (1,703.92)		

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>TITLE II - A</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 19,042.00		
 <u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	11,435.10		
- EMPLOYEE BENEFITS	1,067.71		
- PURCHASED PROF. & TECH. SVCS.	6,539.19		
 TOTAL EXPENDITURES	19,042.00		
 RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
 UNENCUMBERED CASH, JULY 1, 2010	0.00		
 UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
 <b>TITLE I - ARRA</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 20,500.00		
 <u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	18,782.75		
- EMPLOYEE BENEFITS	2,150.54		
- OTHER PURCHASED SERVICES	2,122.00		
- SUPPLIES	2,316.00		
- EQUIPMENT	1,440.92		
 TOTAL EXPENDITURES	26,812.21		
 RECEIPTS OVER (UNDER) EXPENDITURES	(6,312.21)		
 UNENCUMBERED CASH, JULY 1, 2010	2,103.21		
 UNENCUMBERED CASH, JUNE 30, 2011	\$ (4,209.00)		

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>VALLEY HEIGHTS ACTIVITY SCHOLARSHIP</b>			
<u>CASH RECEIPTS</u>			
CONTRIBUTIONS FROM DONORS	\$ 31,349.00		
<u>EXPENDITURES</u>			
GRANTS TO SCHOLARSHIP RECIPIENTS	28,093.50		
RECEIPTS OVER (UNDER) EXPENDITURES	3,255.50		
UNENCUMBERED CASH, JULY 1, 2010	5,873.18		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 9,128.68		
 <b>W. HANKE SCHOLARSHIP</b>			
<u>CASH RECEIPTS</u>			
INVESTMENT INTEREST INCOME	\$ 125.03		
<u>EXPENDITURES</u>			
GRANTS TO SCHOLARSHIP RECIPIENTS	125.03		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	5,000.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 5,000.00		
 <b>KS AFTERSCHOOL ENHANCEMENT GRANT</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM VH AREA COMM. EDUC. & ACT. COUNCIL	\$ 27,455.00		
MATCHING FUNDS FROM WILLSON TRUST & DISTRICT	25,000.00		
TOTAL CASH RECEIPTS	52,455.00		
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	44,061.15		
- EMPLOYEE BENEFITS	5,430.38		
- SUPPLIES	1,356.47		
TOTAL EXPENDITURES	50,848.00		
RECEIPTS OVER (UNDER) EXPENDITURES	1,607.00		
UNENCUMBERED CASH, JULY 1, 2010	822.86		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 2,429.86		

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AGENCY FUNDS  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
<b>STUDENT ORGANIZATION FUNDS</b>				
VALLEY HEIGHTS JR. - SR. HIGH SCHOOL:				
CLASS OF 2010	\$ 440.81	\$ 0.00	\$ 0.00	\$ 440.81
CLASS OF 2011	303.60	1,511.69	1,656.94	158.35
CLASS OF 2012	1,273.00	5,136.05	6,046.67	362.38
CLASS OF 2013	1,454.46	720.00	0.00	2,174.46
CLASS OF 2014	114.00	640.00	0.00	754.00
CLASS OF 2015	114.00	240.00	0.00	354.00
CLASS OF 2016	0.00	240.00	0.00	240.00
CHEERLEADERS	782.81	772.62	1,175.10	380.33
DRILL TEAM CLUB	1,313.21	8,139.88	8,813.73	639.36
FFA	2,534.05	5,500.19	4,874.07	3,160.17
FCCLA	3,566.60	3,396.00	1,733.76	5,228.84
KAYS	1,098.90	2,203.12	2,479.10	822.92
NATIONAL HONOR SOCIETY	490.30	565.50	310.36	745.44
SCIENCE CLUB	126.98	0.00	0.00	126.98
FORENSICS	562.97	902.00	975.15	489.82
DRAMA CLUB	116.81	0.00	0.00	116.81
SCHOLARS BOWL CLUB	799.76	85.00	450.00	434.76
STUDENT COUNCIL	1,304.78	481.51	1,018.27	768.02
VH CLUB	1,025.55	2,104.00	1,605.00	1,524.55
<b>SUBTOTAL STUDENT ORGANIZATION FUNDS</b>	<u>17,422.59</u>	<u>32,637.56</u>	<u>31,138.15</u>	<u>18,922.00</u>
<b>PAYROLL CLEARING</b>				
PAYROLL CLEARING - HEALTH INSURANCE	<u>537.30</u>	<u>65,336.38</u>	<u>65,134.41</u>	<u>739.27</u>
<b>TOTAL AGENCY FUNDS</b>	<u>\$ 17,959.89</u>	<u>\$ 97,973.94</u>	<u>\$ 96,272.56</u>	<u>\$ 19,661.27</u>

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 5

DISTRICT ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GATE RECEIPTS							
VALLEY HEIGHTS JR. - SR. HIGH SCHOOL:							
ATHLETICS	\$ 4,757.71	\$ 0.00	\$ 30,743.82	\$ 31,435.48	\$ 4,066.05	\$ 0.00	\$ 4,066.05
SCHOOL PROJECTS							
VALLEY HEIGHTS JR. - SR. HIGH SCHOOL:							
STUDENT ACTIVITY PROJECTS	2,603.57	0.00	11,274.43	11,006.15	2,871.85	0.00	2,871.85
YEARBOOK	(24.41)	0.00	9,111.50	8,784.90	302.19	0.00	302.19
DC BAND TRIP	757.48	0.00	0.00	0.00	757.48	0.00	757.48
VO AG	0.00	0.00	68.05	0.00	68.05	0.00	68.05
BAND	0.00	0.00	533.45	497.17	36.28	0.00	36.28
ART	0.00	0.00	25.00	0.00	25.00	0.00	25.00
ALL SCHOOL PLAY	398.96	0.00	1,248.68	1,062.45	585.19	0.00	585.19
VENDING COMMISSIONS	2,229.89	0.00	3,592.10	766.05	5,055.94	0.00	5,055.94
JOURNALISM	0.00	0.00	100.00	5.67	94.33	0.00	94.33
CONCESSIONS	355.59	0.00	30,144.30	28,767.97	1,731.92	0.00	1,731.92
SUBTOTAL JR.-SR. HIGH SCHOOL	6,321.08	0.00	56,097.51	50,890.36	11,528.23	0.00	11,528.23
BLUE RAPIDS GRADE SCHOOL:							
LIBRARY DONATIONS	2,633.91	0.00	602.00	205.00	3,030.91	0.00	3,030.91
WATERVILLE ELEMENTARY:							
DONATIONS	724.09	0.00	100.00	0.00	824.09	0.00	824.09
SUBTOTAL SCHOOL PROJECT FUNDS	9,679.08	0.00	56,799.51	51,095.36	15,383.23	0.00	15,383.23
TOTAL DISTRICT ACTIVITY FUNDS	\$ 14,436.79	\$ 0.00	\$ 87,543.33	\$ 82,530.84	\$ 19,449.28	\$ 0.00	\$ 19,449.28

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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THE U.S.D. #498 FOUNDATION  
WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 6

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

THE U.S.D.#498 FOUNDATION	10-11 ACTUAL
<u>CASH RECEIPTS</u>	
DONATIONS	\$ 3,975.00
RETURNED SCHOLARSHIP	100.00
INTEREST AND DIVIDENDS ON INVESTMENTS	<u>19,111.11</u>
TOTAL CASH RECEIPTS	<u>23,186.11</u>
 <u>EXPENDITURES</u>	
SCHOLARSHIPS	17,300.00
SCHOOL PROJECTS	5,675.00
TRUSTEE FEES	3,632.37
SUPPLIES AND FEES	94.70
ANNUAL REPORT	<u>40.00</u>
TOTAL EXPENDITURES	<u>26,742.07</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(3,555.96)
UNENCUMBERED CASH, JULY 1, 2010	<u>445,905.92</u>
UNENCUMBERED CASH, JUNE 30, 2011	\$ <u><u>442,349.96</u></u>

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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VALLEY HEIGHTS AREA COMMUNITY EDUCATION & ACTION COUNCIL  
WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

STATEMENT 7

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

VALLEY HEIGHTS AREA COMMUNITY EDUCATION & ACTION COUNCIL	10-11 ACTUAL
<u>CASH RECEIPTS</u>	
KANSAS AFTER SCHOOL GRANT	\$ 27,455.00
WILLSON TRUST AFTER SCHOOL GRANT MATCHING FUNDS	25,000.00
VALLEY HEIGHTS REC. COMMISSION	
USD #498 REC. COMM. DONATION	875.00
WILLSON TRUST REC. COMM. DONATION	875.00
CITY OF WATERVILLE DONATION	1,750.00
CITY OF BLUE RAPIDS DONATION	1,750.00
BALL FEES	2,340.00
DONATION TO ALL STARS	1,000.00
CHANGE FOR KIDS GRANT	575.00
	<hr/>
TOTAL CASH RECEIPTS	61,620.00
	<hr/>
<u>EXPENDITURES</u>	
TRANSFER TO USD#498 KS AFTERSCHOOL GRANT FD.	52,455.00
VALLEY HEIGHTS REC. COMMISSION	
DIRECTOR SALARY	3,466.67
DIRECTOR EMPLOYEE BENEFITS	397.72
BALLFIELD DIRECTOR	2,004.27
BALLFIELD DIRECTOR EMPLOYEE BENEFITS	122.46
BALLFIELD SUPPLIES	1,059.59
UMPIRES	930.00
MISCELLANEOUS	21.21
INSURANCE	690.00
	<hr/>
TOTAL EXPENDITURES	61,146.92
	<hr/>
RECEIPTS OVER (UNDER) EXPENDITURES	473.08
	<hr/>
UNENCUMBERED CASH, JULY 1, 2010	2,386.61
	<hr/>
UNENCUMBERED CASH, JUNE 30, 2011	\$ 2,859.69
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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Unified School District No. 498 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District No. 498 (the primary government) and its two component units. The component units are included in the unified school district's reporting entity because of the significance of their operational and financial relationship with the unified school district. Discretely presented component units—the component units section of the financial statements includes the financial data of the discretely presented component units. These component units are reported separately to emphasize that they are legally separate from the unified school district.

The U.S.D. #498 Foundation— this foundation is a nonprofit corporation organized for charitable and educational purposes to provide support for the educational programs in Unified School District No. 498.

Valley Heights Area Community Education & Action Council - this entity is a nonprofit organization which is organized to provide an array of educational and recreational activities for the Valley Heights Community.

B. Fund accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the district for the fiscal year 2011:  
Governmental funds

General fund--to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds--to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt service fund--to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital projects fund--to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. Fund Accounting (cont.)

Fiduciary funds

Trust and agency funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds, and (d) agency funds.

C. Basis of Accounting

Statutory Basis of Accounting--The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas, U.S.A. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The school district has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the school district to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America--the basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense and liabilities such as deferred revenue, matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Reimbursed expenses

Unified School District No. 498 records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year. The general fund maximum legal budget per the State Board of Education was set at \$3,048,813 on June 3, 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.



VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. Budgetary Information (cont.)

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve and all federal programs and grant funds. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

F. Property Tax

The county clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to the county treasurer, who prepares tax statements and receives payment.

Taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 21st and May 11th. Delinquent taxes were assessed interest at 7% per annum for calendar year 2010 and 7% per annum for calendar year 2011. This interest is retained by the county.

Taxes levied to finance the budget are made available to the district after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the school district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the school district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the school district's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statute place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

2. DEPOSITS AND INVESTMENTS (cont.)

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2011. At June 30, 2011 the carrying amount of the district's deposits, including certificates of deposit, was \$1,623,785.21 and the bank balance was \$2,147,376.63. The total funds on deposit including the component units was \$2,228,645.71. The bank balance was held by three banks resulting in a concentration of credit risk. Of the total bank balance, \$605,326.65 was covered by FDIC insurance and the remaining \$1,623,319.06 was collateralized with securities held by the pledging financial institutions' agents in the district's name.

*Custodial credit risk - investments.* At year-end the district had no investments (including repurchase agreements). The U.S.D. #498 Foundation has investments which were donated to the foundation and the book value and market values are as follows:

<u>STOCK</u>	<u># OF SHARES</u>	<u>COST</u>	<u>MARKET VALUE</u>
Money Market Fd		22,130.47	22,130.47
Sioux Falls SD	5,000	3,906.05	3,715.00
Baxter Springs Ks AMBAC	10,000	9,943.70	10,023.00
General Electric	10,000	8,650.00	9,966.00
SC Jobs Ede	9,777.78	8,608.06	7,640.00
LA Housing Fin Agency	6,666.64	6,261.45	6,571.31
AZ Ft Defiance	10,000	9,000.00	7,706.00
HLR LLC	5,000	4,632.05	3,800.00
Sparks Reg Med Ctr	2,030	1,969.10	2,030.00
Ohio Co WV Co Comm Spl	4,147	4,126.26	4,064.00
TX Dept of Housing SFM	6,816	6,946.81	7,250.00
River City Stadium CA	3,504.2	3,241.38	3,602.00

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

2. DEPOSITS AND INVESTMENTS (cont.)

Pimco Total Ret Fd	1393.712	15,715.81	15,317.00
Vanguard St Invmt Grade	5030.95	54,192.29	54,083.00
LL&P Wind Energy, WA	10,000	9,045.00	9,454.00
NJ Econ Dev	5,000	4,777.30	4,995.00
NM Mtg (Manzano Apts)	5,000	4,550.00	4,461.00
Lord Abbett Affl.	4523.592	68,573.15	53,559.00

3. LONG-TERM DEBT

Unified School District #498 entered into a lease purchase agreement with the Bank of Kansas City, Kansas City, Missouri for energy improvements. Qualified Zone Academy Bonds were purchased by the two local banks. The Series 2010A QZAB Bonds have a tax credit of 5.85% and the Series 2010B QZAB Bonds have an interest rate of 5.85%. The lease purchase agreement is set up for basic rent payments and to be limited to payment from available revenues and will constitute a current expense of the district and not debt of the district. The schedule of basic rent payments for the Series 2010A and Series 2010B Certificates are shown below for informational purposes. Changes in long-term liabilities and the basic rent payments for the school district for the year ended June 30, 2011, were as follows:

ISSUE	INTEREST RATE	DATE OF ISSUE	AMOUNT OF ISSUE	DATE OF FINAL MATURITY	BEGINNING PRINCIPAL OUTSTANDING	ADDITIONS TO PRINCIPAL	REDUCTIONS OF PRINCIPAL	NET CHANGE IN PRINCIPAL	ENDING PRINCIPAL OUTSTANDING	INTEREST PAID
GENERAL OBLIGATION BONDS:										
REFUNDING SERIES 2004	2.0 - 4.25%	12/01/04	\$ 1,630,000.00	12/01/18	\$ 1,140,000.00	\$ 0.00	\$ 110,000.00	\$ (110,000.00)	\$ 1,030,000.00	\$ 42,180.00
SERIES 2008	4.6 - 5.5%	10/23/08	2,135,000.00	09/01/23	2,135,000.00	0.00	35,000.00	(35,000.00)	2,100,000.00	98,012.50
LEASE PURCHASE AGREEMENT WITH BANK OF KANSAS CITY										
QUALIFIED ZONE ACADEMY BONDS										
CERTIFICATE OF PARTICIPATION										
SERIES 2010A	5.85% TAX CREDIT	12/28/10	400,000.00	12/29/22	0.00	400,000.00	0.00	400,000.00	400,000.00	0.00
SERIES 2010B	5.85%	12/28/10	400,000.00	12/29/22	0.00	400,000.00	0.00	400,000.00	400,000.00	0.00
					\$ 3,275,000.00	\$ 800,000.00	\$ 145,000.00	\$ 655,000.00	\$ 3,930,000.00	\$ 140,192.50

Current maturities of long-term debt and the basic rent payment schedule showing principle and interest for the next five years and in five year increments through maturity are as follows:

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

3. LONG-TERM DEBT (cont.)

	YEAR							
	2012	2013	2014	2015	2016	2017-2021	2022-2026	TOTAL
<b>PRINCIPAL</b>								
GEN. OBLIGATION REFUNDING BONDS-SERIES 2004	\$ 110,000.00	\$ 110,000.00	\$ 120,000.00	\$ 125,000.00	\$ 130,000.00	\$ 435,000.00	\$ 0.00	\$ 1,030,000.00
GEN. OBLIGATION BONDS-SERIES 2008	45,000.00	55,000.00	55,000.00	65,000.00	75,000.00	825,000.00	980,000.00	2,100,000.00
ENERGY IMPROVEMENT LEASE QZAB SERIES 2010A	0.00	0.00	0.00	0.00	0.00	0.00	400,000.00	400,000.00
QZAB SERIES 2010B	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33	166,666.65	66,666.70	400,000.00
<b>TOTAL PRINCIPAL</b>	<b>188,333.33</b>	<b>198,333.33</b>	<b>208,333.33</b>	<b>223,333.33</b>	<b>238,333.33</b>	<b>1,426,666.65</b>	<b>1,446,666.70</b>	<b>3,930,000.00</b>
<b>INTEREST</b>								
GEN. OBLIGATION REFUNDING BONDS-SERIES 2004	38,680.00	34,920.00	30,775.00	26,148.75	21,045.00	28,068.25	0.00	179,635.00
GEN. OBLIGATION BONDS-SERIES 2008	95,812.50	93,062.50	90,037.50	86,900.00	83,400.00	340,538.75	69,293.75	859,045.00
ENERGY IMPROVEMENT LEASE QZAB SERIES 2010A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
QZAB SERIES 2010B	34,125.00	20,475.00	18,525.00	16,575.00	14,625.00	46,800.00	975.00	152,100.00
<b>TOTAL INTEREST</b>	<b>168,597.50</b>	<b>148,457.50</b>	<b>139,337.50</b>	<b>129,623.75</b>	<b>119,070.00</b>	<b>415,425.00</b>	<b>70,268.75</b>	<b>1,190,780.00</b>
<b>TOTAL PRINCIPAL AND INTEREST</b>	<b>\$ 356,930.83</b>	<b>\$ 346,790.83</b>	<b>\$ 347,670.83</b>	<b>\$ 352,957.08</b>	<b>\$ 357,403.33</b>	<b>\$ 1,842,091.65</b>	<b>\$ 1,516,935.45</b>	<b>\$ 5,120,780.00</b>

4. INTERFUND TRANSFERS

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Food Service Fund	K.S.A. 72-6428	91,700.00
General Fund	Professional Development Fd.	K.S.A. 72-6428	44,300.00
General Fund	Special Education Fund	K.S.A. 72-6428	553,888.00
General Fund	Vocational Education Fund	K.S.A. 72-6428	76,367.73
General Fund	Parents as Teachers Fund	K.S.A. 72-6428	13,359.00
General Fund	At Risk K-12 Fund	K.S.A. 72-6428	381,000.67
General Fund	At Risk 4 Year Old Fund	K.S.A. 72-6428	11,700.00
General Fund	Drivers Education Fund	K.S.A. 72-6428	120.00
General Fund	Bilingual Fund	K.S.A. 72-6428	2,550.00
Supplemental General Fd.	Vocational Education Fund	K.S.A. 72-6433	4,016.81
Supplemental General Fd.	Special Education Fund	K.S.A. 72-6433	126,000.00
Supplemental General Fd.	At Risk 4 Year Old	K.S.A. 72-6433	2,200.00
Supplemental General Fd.	At Risk K-12 Fund	K.S.A. 72-6433	53.50

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

5. DEFINED BENEFIT PENSION PLAN

Plan description. The Unified School District No. 498, Waterville, Kansas, participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the required contributions for each year.

6. OTHER POST EMPLOYMENT BENEFITS

*Other post employment benefits.* As provided by K.S.A. 12-5040, the school district allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the district is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the district makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the school district under this program.

7. FRINGE BENEFITS

The district provides a single membership health insurance for all certified staff. Certified staff who have the board-provided single health insurance may opt to pick another option if the teacher provides the district with written permission to take the additional cost of the selected option from their salary. The junior-senior high school principal and the tech. director are provided family health insurance, Option KE1 of the current Blue Cross Blue Shield coverage. The elementary principal receives Employee/Children health insurance, Option KE1. The district agrees to pay the superintendent's group health insurance Employee/Dependents plan with the USD #498 group health insurance, Option KE1.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

7. FRINGE BENEFITS (cont.)

All non-certified full-time employees are required to be a member of the district's group health insurance plan unless they prove satisfactory group health insurance coverage elsewhere. Twelve-month and nine-month employees participating in the district's health plan will have 100% of the district low option single membership paid by the district. The school district also established a salary reduction program in conformity with Section 125 of the Internal Revenue Code. Any employee may reduce their salary by an amount up to the statutory limit on non-taxable benefits as set forth in the program. Items by which the employee may reduce his/her contract are as follows:

- (A) Health insurance
- (B) Cancer insurance
- (C) Salary protection insurance
- (D) Dental and vision insurance
- (E) Unreimbursed medical expenses not covered by insurance
- (F) Dependent care assistance

8. COMPENSATED ABSENCES

The District's policies regarding vacation and sick leave are: Teachers are allowed 8 days sick leave accumulative to 60 days and four days of discretionary leave per year; at year end the teachers can either transfer unused discretionary leave days to sick leave or elect to receive reimbursement; the superintendent is allowed 10 days sick leave accumulative to 60 days and 20 days vacation; the principals are allowed 10 days sick leave accumulative to 60 days; the U.S.D. clerk, custodians, tech coordinator, community education coordinator, and secretaries on a 12-month contract are allowed 8 days sick leave accumulative to 56 days; cooks, paraprofessionals, bus drivers, and secretaries on a 9-month contract are allowed six days sick leave accumulative to 42 days; and all non-certified employees on a 12-month contract are allowed two weeks vacation and after 15 years of employment in the district are allowed three weeks vacation. Two days of the non-certified employees' sick days can be utilized as personal leave days.

Liability for compensated absences is not reflected in the financial statements

9. COMMITMENTS AND CONTINGENCIES

Litigation As of the audit date, there is no pending or threatened litigation which involves the Unified School District No. 498.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

9. COMMITMENTS AND CONTINGENCIES (cont.)

Grant program involvement In the normal course of operations, the District participates in various Federal or State grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

10. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance With Finance-Related Legal and Contractual Provisions

The Title I program is a reimbursable Federal program. Exemption from the Kansas cash basis law K.S.A. 10-1113 is allowed for Federal programs under K.S.A. 12-1664. The District can only be reimbursed for actual expenses which must be submitted for payment. Reimbursement for Title I in the amount of \$8,500.00 was received in the August, 2011. Early Childhood Grant monies of \$2,705.00 were received in the next fiscal year. The remainder of the Title I ARRA of \$4,209.00 was received in August, 2011.

K.S.A. 75-3317 through 75-3322 makes mandatory the purchase of products offered by Kansas industries for the blind and severely disabled. "The Kansas Use Law" states that when a unified school district has need to purchase products such as those listed in the Kansas State Use Catalog, it is a violation of Kansas law to purchase from any source other than those specified on the website or catalog. USD #498 did not make all purchases of such products from these industries.

The district did not meet the requirements of K.S.A. 10-130 for the 2004 General Obligation Bond payment due 6/1/11. The certificate for bond payment must reach the State 20 days prior to the due date. The certificate needed to be there by 5/10/11 and they received it 5/13/11. Payment was made timely.

K.S.A. 60.1111 states that any contract exceeding \$100,000 for the purpose of making improvements or repairs to public buildings shall have a bond with the state of Kansas and it shall be on file in the county where the work is done. The Clerk of the District Court had no public works bond on file for the energy performance contract with Trane U.S. Inc. for \$752,190.00 for energy improvements.

Compliance With K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d)

K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the statutes.





VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
6/30/2011

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SUPPLEMENTAL GENERAL FUND

		STATUTORY TRANSACTIONS	10-11 BUDGET	VARIANCE - OVER (UNDER)
<u>STATUTORY REVENUES</u>				
GENERAL PROPERTY TAXES--				
AD VALOREM PROPERTY TAXES	-2009	\$ 12,441.24	\$ 21,882.00	\$ (9,440.76)
	-2010	415,884.15	396,106.00	19,778.15
DELINQUENT PROPERTY TAX		7,074.78	3,197.00	3,877.78
MOTOR VEHICLE TAX		57,450.44	59,995.00	(2,544.56)
RECREATIONAL VEHICLE TAX		1,114.58	1,140.00	(25.42)
REIMBURSEMENTS		36,877.85	0.00	36,877.85
SUPPLEMENTAL STATE AID		560,771.00	565,604.00	(4,833.00)
TOTAL STATUTORY REVENUES		1,091,614.04	\$ 1,047,924.00	\$ 43,690.04
<u>EXPENDITURES</u>				
INSTRUCTION	-SALARIES	43,278.62	\$ 60,000.00	\$ 16,721.38
	-SUPPLIES	54,439.60	81,192.00	26,752.40
	-PROPERTY (EQUIP. & FURN.)	59,453.99	80,000.00	20,546.01
	-OTHER	29,194.15	25,800.00	(3,394.15)
GENERAL ADMIN.	-SALARIES	13,864.82	14,250.00	385.18
	-EMPLOYEE BENEFITS	1,383.56	1,010.00	(373.56)
	-OTHER	240.00	0.00	(240.00)
OPERATIONS & MAINTENANCE	- SALARIES	114,067.62	125,000.00	10,932.38
	- EMPLOYEE BENEFITS	32,390.60	45,500.00	13,109.40
	- REPAIRS & MAINTENANCE	368,425.54	206,000.00	(162,425.54)
	- OTHER PURCHASED SERVICES	63,363.66	38,000.00	(25,363.66)
	- SUPPLIES	23,336.51	25,000.00	1,663.49
	- UTILITIES	88,266.70	149,000.00	60,733.30
	- OTHER	199.69	0.00	(199.69)
OTHER SUPPLEMENTAL SERVICES	- SALARIES	39,561.72	39,000.00	(561.72)
	- EMPLOYEE BENEFITS	21,175.76	21,500.00	324.24
	- COMMUNITY SERVICES	0.00	12,368.00	12,368.00
TRANSFER TO SPECIAL EDUCATION		126,000.00	60,000.00	(66,000.00)
TRANSFER TO VOCATIONAL EDUCATION		4,016.81	0.00	(4,016.81)
TRANSFER TO 4 YEAR OLD AT RISK		2,200.00	0.00	(2,200.00)
TRANSFER TO K-12 AT RISK		53.50	70,000.00	69,946.50
ADJUSTMENT TO COMPLY WITH LIEGAL MAX		0.00	(5,585.00)	(5,585.00)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS		0.00	36,877.85	36,877.85
TOTAL EXPENDITURES		1,084,912.85	\$ 1,084,912.85	\$ 0.00
REVENUES OVER (UNDER) EXPENDITURES		6,701.19		
PRIOR YEAR CANCELED ENCUMBRANCE		712.20		
MODIFIED UNENCUMBERED CASH, JULY 1, 2010		5,642.86		
MODIFIED UNENCUMBERED CASH, JUNE 30, 2011		\$ 13,056.25		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

**SUPPLEMENTAL INFORMATION**

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

SCHEDULE 1

COMPARISON OF DEPOSITORY SECURITY WITH FUNDS ON DEPOSIT  
6/30/2011

BANK	F.D.I.C. COVERAGE	SECURITY PLEDGED		TOTAL COVERAGE	FUNDS ON DEPOSIT 06-30-11	FUNDS AT RISK 06-30-11
		PAR VALUE	MARKET VALUE			
CITIZENS STATE BANK, WATERVILLE, KANSAS						
DEMAND DEPOSITS	\$ 10,226.25				10,226.25	
TIME DEPOSITS	250,000.00				327,997.64	
SUBTOTAL CITIZENS STATE BANK	260,226.25	\$ 2,353,213.04	\$ 2,421,646.71	\$ 2,681,872.96	338,223.89	\$ 0.00
STATE BANK OF BLUE RAPIDS, BLUE RAPIDS, KS						
DEMAND DEPOSITS	3,044.01				3,044.01	
TIME DEPOSITS	250,000.00				1,795,321.42	
SUBTOTAL STATE BANK OF BLUE RAPIDS	253,044.01	1,512,877.79	1,580,990.04	1,834,034.05	1,798,365.43	0.00
BANK OF KANSAS CITY, KANSAS CITY, MO						
TIME DEPOSITS	10787.31			10,787.31	10787.31	0.00
USD #498 FOUNDATION:						
CITIZENS STATE BANK, WATERVILLE, KANSAS						
DEMAND/TIME DEPOSITS	23,861.96			23,861.96	23,861.96	0.00
STATE BANK OF BLUE RAPIDS, BLUE RAPIDS, KANSAS						
TIME DEPOSITS	41,969.12			41,969.12	41,969.12	0.00
VALLEY HEIGHTS AREA COMM. ED. & ACTION COUNCIL:						
CITIZENS STATE BANK, WATERVILLE, KANSAS						
DEMAND DEPOSITS	15,438.00			15,438.00	15,438.00	0.00
TOTALS	\$ 605,326.65	\$ 3,866,090.83	\$ 4,002,636.75	\$ 4,607,963.40	\$ 2,228,645.71	\$ 0.00

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498  
BLUE RAPIDS - WATERVILLE, KANSAS  
MARSHALL COUNTY, KANSAS

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THE U.S.D. #498 FOUNDATION  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 2

	Total All Funds	General Scholarship Funds	Office Account	MMDA Account	Lawless-Lord Abbott Donation	Lowell Blaser Family Mem. CD #21642	Lindquist Memorial CD #1560	Richard Batchelor CD#22336	Amer Legion VFW CD#1198317	Brychia Mem. The Trust Co. of Manhattan	Berfield CD #1198318
FUND BALANCE, JULY 1, 2010	\$ 445,905.92	\$ (1,208.13)	\$ 211.83	\$ 2,925.30	\$ 65,470.95	\$ 9,354.15	\$ 2,112.27	\$ 10,000.00	\$ 20,074.55	\$ 315,600.98	\$ 21,364.02
RECEIPTS:											
DONATIONS	3,975.00	450.00	720.00	2,468.00	0.00	337.00	0.00	0.00	0.00	0.00	0.00
RETURNED SCHOLARSHIP	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFER TO CHECKING	0.00	2,422.83	(922.83)	(1,500.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DIVIDENDS AND CAPITAL GAINS	5,286.99	0.00	0.00	0.00	442.52	0.00	0.00	0.00	0.00	4,844.47	0.00
INTEREST ON INVESTMENTS	13,824.12	0.00	0.00	27.70	0.00	163.31	104.88	157.08	524.92	12,540.80	305.63
TOTAL RECEIPTS	23,186.11	2,972.83	(202.83)	995.70	442.52	500.31	104.88	157.08	524.92	17,385.07	305.63
DISBURSEMENTS:											
SCHOLARSHIPS	17,300.00	1,400.00	0.00	0.00	0.00	500.00	100.00	0.00	300.00	15,000.00	0.00
VALLEY HEIGHTS PROJECTS	5,675.00	2,050.00	0.00	2,100.00	1,525.00	0.00	0.00	0.00	0.00	0.00	0.00
ANNUAL REPORT	40.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRUSTEE FEES	3,632.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,632.37	0.00
SUPPLIES AND FEES	94.70	23.70	9.00	56.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS	26,742.07	3,519.70	9.00	2,156.00	1,525.00	500.00	100.00	0.00	300.00	18,632.37	0.00
FUND BALANCE, JUNE 30, 2011	\$ 442,349.96	\$ (1,755.00)	\$ (0.00)	\$ 1,765.00	\$ 64,388.47	\$ 9,354.46	\$ 2,117.15	\$ 10,157.08	\$ 20,299.47	\$ 314,353.68	\$ 21,669.65
COMPRISED OF:											
CASH IN BANK	\$ (60.12)	\$ (1,755.00)	\$ 0.00	\$ 0.00	\$ (2,441.40)	\$ (945.54)	\$ 117.15	\$ 0.00	\$ 0.00	\$ 4,664.67	\$ 0.00
CITIZENS STATE BANK-WATERTVILLE, KS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHECKING ACCOUNT #312074	1,765.00	0.00	0.00	1,765.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00
OFFICE ACCOUNT #194670	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	10,157.08	0.00	0.00	0.00
MMDA ACCOUNT #20997	10,157.08	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00
CD #1560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CD #22636	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CD #21642	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STATE BANK OF BLUE RAPIDS, BLUE RAPIDS, KS	21,669.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,669.65
CD #1198316	20,299.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,299.47	0.00	0.00
CD #1198317											
INVESTMENTS - AT COST											
THE TRUST COMPANY, MANHATTAN, KS	22,130.47	0.00	0.00	0.00	(1,743.28)	0.00	0.00	0.00	0.00	23,873.75	0.00
MONEY MARKET FUND	10,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,250.00	0.00
COMMUNITY 1ST BANK CD	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00
CITIZENS STATE BANK CD	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00
FIRST NATIONAL BANK WAMEGO CD	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00
BOA VAR CD	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00
KANSAS STATE BANK CD	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00
JP MORGAN STEP UP CD 3/31/25	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00
JP MORGAN CHASE BANK	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00
VANGUARD SHORT TERM INVMT GRADE	54,192.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54,192.29	0.00
PIMCO TOTAL RET	15,715.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,715.81	0.00
GENERAL ELECTRIC	8,650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,650.00	0.00
SILO FALLS SD	3,906.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,906.05	0.00
BAXTER SPRINGS KS AMBAC	9,943.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,943.70	0.00
SC JOBS EDUC	8,608.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,608.06	0.00
AZ FT DEFIANCE	9,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00	0.00
LA HOUSING FIN. AGENCY	6,261.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,261.45	0.00
TX DEPT. OF HOUSING	6,946.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,946.81	0.00
RIVER CITY STADIUM CA	3,241.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,241.38	0.00
HLR LLC (LITTLE ROCK HILTON)	4,632.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,632.05	0.00
OHIO CO WV CO COMM SPL DIST	4,126.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,126.26	0.00
SPARKS REG MED CTR COP	1,969.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,969.10	0.00
LL&P WIND ENERGY WA	9,045.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,045.00	0.00
NJ ECON DEV	4,777.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,777.30	0.00
NM MTG (MANZANO MESA APTS)	4,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,550.00	0.00
LORD ABBETT AFFILIATED FUND A - 4523.592 SH	68,573.15	0.00	0.00	0.00	68,573.15	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	\$ 442,349.96	\$ (1,755.00)	\$ 0.00	\$ 1,765.00	\$ 64,388.47	\$ 9,354.46	\$ 2,117.15	\$ 10,157.08	\$ 20,299.47	\$ 314,353.68	\$ 21,669.65

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.